

## Message Text

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ACTION AF-10

INFO OCT-01 NEA-10 ISO-00 EB-08 AID-05 SS-15 SP-02  
CIAE-00 INR-10 NSAE-00 L-03 OMB-01 TRSE-00 NSC-05  
COME-00 /070 W  
-----088039 200558Z /13

R 190740Z JUL 78  
FM AMEMBASSY KHARTOUM  
TO SECSTATE WASHDC 7878  
INFO AMEMBASSY ABU DHABI  
AMEMBASSY CAIRO  
AMEMBASSY JIDDA  
AMEMBASSY KUWAIT

C O N F I D E N T I A L KHARTOUM 3251

E.O.11652: GDS  
TAGS: EFIN EAID SU  
SUBJECT: ECONOMIC ASSISTANCE FOR SUDAN

REF: A. STATE 160193 (NOTAL), B. KHARTOUM 3092 (NOTAL)

1. ACTING DCM MET WITH MINFIN OSMAN KHASHIM JULY 18 PRIOR TO HIS DEPARTURE FOR UNITED STATES AND BRIEFED HIM ON ECONOMIC PORTIONS OF AMBASSADOR'S JULY 11 MEETING WITH PRESIDENT NIMEIRI (SEE REFTELS). HE WELCOMED IDEA OF REVITALIZED CONSULTATIVE GROUP ON SUDAN WHICH WOULD FOCUS ON MID-TERM BALANCE OF PAYMENTS REQUIREMENTS. HE REVIEWED HISTORY OF CONSULTATIVE GROUP AND SUGGESTED THAT NOVEMBER MIGHT BE APPROPRIATE TIME FOR SUCH A GATHERING. CONSULTATIVE GROUP DID NOT MEET AS TENTATIVELY PLANNED IN 1977 BECAUSE OUTLINES OF SIX-YEAR PLAN WERE NOT FIRM, LEADERSHIP OF ARAB AGRICULTURAL AUTHORITY HAD NOT BEEN CHOSEN AND THERE HAD BEEN NO AGREEMENT WITH IMF. HOWEVER, NOW ALL OF THESE CONDITIONS ARE FULFILLED.

2. HASHIM STRESSED THAT BALANCE OF PAYMENTS SUPPORT  
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WAS MERITED ON ECONOMIC GROUNDS AND THAT CURRENT PROBLEMS WERE DIRECT RESULT OF MAJOR DEVELOPMENT EFFORTS UNDERWAY. HE REGRETTED THAT IT WAS MORE DIFFICULT TO GET NECESSARY ECONOMIC SUPPORT THAN POLITICAL OR MILITARY SUPPORT FROM U.S. AND SAUDI ARABIA. ALTHOUGH BOTH MILITARY AND POLITICAL SUPPORT WERE NECESSARY, THEY COULD NOT ACCOMPLISH THEIR OBJECTIVES UNLESS THERE IS A PROPER MIX OF ECONOMIC

SUPPORT INCLUDING BOTH DIRECT AND INDIRECT BALANCE OF PAYMENTS ASSISTANCE.

3. HASHIM FELT THAT CONSULTATIVE GROUP MIGHT BE ABLE TO PROMOTE BETTER ZIX OF ASSISTANCE AND COMPREHENSION OF NATURE OF SUDAN'S DEVELOPMENT PROBLEMS. HE EXPRESSED CONCERN, HOWEVER, ABOUT UNCERTAINTIES IN LEVELS OF BI-LATERAL ASSISTANCE, SPECIFICIALLY, HE QUESTIONED AMOUNT OF ASSISTANCE SUDAN COULD EXPECT FROM U.S. IN COMING YEARS. HE IS WELL AWARE OF THE LIMITED NATURE OF U.S. ASSISTANCE PROGRAMS IN SUDAN AND WONDERED HOW THEY COULD BE RAPIDLY EXPANDED FOR BOP PURPOSES AND WOULD LIKE SUDAN TO BECOME ELIGIBLE FOR SUPPORTING ASSISTANCE. GIVEN MAGNITUDE OF SUDAN'S CONTINUING LIQUIDITY REQUIREMENTS HE FELT THAT ABOUT 50 MILLION WOULD BE A PPROPRIATE U.S. SHARE. HASHIM REALIZES THAT BOP SUPPORT FROM SAUDI ARABIA WILL BE REQUIRED AT A LEVEL THREE TO FOUR TIMES GREATER THAN SUGGESTED FIGURE FOR U.S. HE FEELS THAT A U.S. CONTRI-BUTION OF THIS MAGNITUDE PROBABLY WILL BE NECESSARY IN ORDER FOR THE U.S. AS FULL PARTNER TO ENCOURAGE SAUDI SUPPORT. WHILE IN WASHINGTON, HE WOULD LIKE TO MEET WITH ASSISTANT SECRETARY MOOSE AND DAS'S HARROP AND HORMATZ TO DISCUSS ASSISTANCE LEVELS FURTHER AND TO PREPARE GROUND FOR PRESIDENT NIMEIRI'S U.S. VISIT THIS AUTUMN.

4. CONCERNING HIS RECENT VISIT TO SAUDI ARABIA, HASHIM  
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WAS NOT PARTICULARLY FORTHCOMING. HE ACKNOWLEDGED IMPLICITLY THAT HE HAD BEEN SUCCESSFUL IN RESCHEDULING DEBTS, BUT DID NOT INDICATE THAT ANY ADDITIONAL SUPPORT BEYOND CONCESSIONAL OIL SALES AND DEBT RESCHEDULING HAD BEEN PROMISED. EMBASSY HAS HEARD SEVERAL REPORTS THAT HASHIM HAD BEEN SEEKING 500 MILLION DOLLAR LOAN AND THAT WHEN HE ENCOUNTERED RESISTANCE FROM SAUDI MINFIN HE REQUESTED THAT NIMEIRI MAKE QUICK VISIT TO MEET WITH KNING KHALID TO SECURE AGREEMENT. NIMEIRI'S JULY 13 VISIT APPARENTLY DID NOT CHANGE SAUDI VIEW ON ADDITIONAL IMMEDIATE BOP SUPPORT. HASHIM SAID THAT HE IS "NEITHER DISCOURAGED NOR SATISFIED" BY SAUDIS.

5. ACTION REQUESTED: PLEASE CONTACT SUDANESE EMBASSY AND ARRANGE REQUESTED APPOINTMENT. HASHIM PLANS TO BE IN WASHINGTON FROM JULY 21 THROUGH END OF MONTH.  
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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE  
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**Draft Date:** 19 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
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**TAGS:** EFIN, EAID, SU  
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